

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 10/6/2015	(3) CONTACT/PHONE Suzan Ehdaie, Planner / (805) 781-4974	
(4) SUBJECT Hearing to consider and identify public needs for the proposed annual Urban County of San Luis Obispo 2016 Action Plan for the allocation of federal grant funding associated with the Community Development Block Grant (CDBG), HOME Investment Partnerships Act (HOME), and Emergency Solutions Grant (ESG) programs. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board hold a public hearing to consider and identify public needs for the proposed annual Urban County of San Luis Obispo 2016 Action Plan.			
(6) FUNDING SOURCE(S) CDBG, HOME and ESG funds	(7) CURRENT YEAR FINANCIAL IMPACT \$2,427,944	(8) ANNUAL FINANCIAL IMPACT Approximately \$2,300,000	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. <u>30min</u>) <input type="checkbox"/> Board Business (Time Est. <u> </u>)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u> </u>	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Suzan Ehdaie, Planner / (805) 781-4974

VIA: Matt Janssen, Division Manager

DATE: 10/6/2015

SUBJECT: Hearing to consider and identify public needs for the proposed annual Urban County of San Luis Obispo 2016 Action Plan for the allocation of federal grant funding associated with the Community Development Block Grant (CDBG), HOME Investment Partnerships Act (HOME), and Emergency Solutions Grant (ESG) programs. All Districts.

RECOMMENDATION

It is recommended that the Board hold a public hearing to consider and identify public needs for the proposed annual Urban County of San Luis Obispo 2016 Action Plan.

DISCUSSION

Every year the Urban County of San Luis Obispo (Urban County) prepares a policy document called the "Action Plan" in order to apply to the U.S. Department of Housing and Urban Development (HUD) for federal funds under the Community Development Block Grant (CDBG), HOME Investment Partnerships Act (HOME), and Emergency Solutions Grant (ESG) programs. This year the Action Plan is named "The 2016 Action Plan" to correspond with the 2016 program year, which starts from July 1, 2016, and ends on June 30, 2017.

The Urban County under HUD's designation is comprised of the following jurisdictions:

- County of San Luis Obispo
- City of San Luis Obispo
- City of Paso Robles
- City of Atascadero
- City of Arroyo Grande
- City of Morro Bay
- City of Pismo Beach

San Luis Obispo County (County) is the lead agency administering the CDBG, HOME and ESG grant programs for the Urban County. The CDBG funds are shared among the six cities and the County. The participating cities identify needs and recommend projects for funding under the CDBG program by attending the public needs workshops being held by the County. The City of San Luis Obispo held its needs hearing on September 2, 2015, to consider public testimony on community needs for their share of CDBG funds. The County collaborates with a number of advisory groups and nonprofits to identify affordable housing needs and gap in services for homeless persons that could be funded through the HOME and ESG programs.

HUD requires the County to conduct public outreach prior to preparation of the 2016 Action Plan. The Community Participation Plan adopted by the Board of Supervisors outlines specific steps for the public outreach process. The main

objective of the Community Participation Plan is to engage the members of the public, and collect their input about community and affordable housing needs. The public input received at the public workshops and the needs hearing will help guide the County to select projects for federal funding that will meet the community needs. The Community Participation Plan was last amended and adopted by the Board on May 13, 2014. Per the Community Participation Plan, the County must hold a public hearing to obtain public input on housing and community needs. In addition to today's public hearing, the County and participating cities held two public workshops on September 8 and September 15, 2015, to collect feedback from the members of the community.

The 2016 Action Plan is the second action plan of the five-year Consolidated Plan (2015-2019). The Consolidated Plan serves as a strategic plan which identifies priority needs in community development and affordable housing as well as establishes goals and objectives to meet those identified priority needs. The Consolidated Plan was adopted by the Board on April 14, 2015. Under the 2015 Action Plan (the first action plan of the Consolidated Plan) that was also adopted by the Board on April 14, 2015, the County allocated \$1,645,012 in CDBG funds, \$637,847 in HOME funds, and \$145,085 in ESG funds to community based and affordable housing projects. The purpose of the 2016 Action Plan is to identify and invest grant funds to specific projects that are consistent with the priority needs stated in the recently approved 2015-2019 Consolidated Plan.

Provided below is a brief summary of each federal grant program that will be addressed in the 2016 Action Plan.

- *The Community Development Block Grant (CDBG) program*

The objective of the CDBG program is to financially assist community based projects that primarily benefit low income families. The CDBG funds can be used for a variety of projects including affordable housing, public facility improvements, economic development, and public services. For example, under the 2015 Action Plan CDBG funds were allocated for development of new affordable rental housing project, rehabilitation of a transitional housing facility, ADA improvement projects, and operation of homeless shelters.

- *HOME Investment Partnerships Act (HOME) program*

The objective of the HOME program is to provide affordable housing for low and moderate income households. HOME funds can be used to develop new affordable housing units, to rehabilitate existing affordable housing units, provide down payment assistance to low-income home buyers, and provide tenant-based rental assistance. For example, under the 2015 Action Plan HOME funds were allocated for construction of new affordable rental housing projects.

- *Emergency Solutions Grant (ESG) program*

The objective of the ESG program is to provide assistance to address homeless-related issues. The ESG funds can be used for case management and homeless services as well as for the conversion of a structure into a homeless shelter. For example, under the 2015 Action Plan ESG funds were allocated for homeless related services, homeless prevention, and rapid re-housing programs.

The following table (Table 1) outlines the steps in the process for the preparation of the 2016 Action Plan.

Table 1 – The 2016 Action Plan Preparation Process

The 2016 Action Plan Process	Timelines
Online Needs Assessment Survey	September 4 – November 4, 2015
Public workshop in Atascadero Library	September 8, 2015
Public workshop in Nipomo Library	September 15, 2015

Needs hearing before the Board of Supervisors	October 6, 2015
Due date for the grant application proposals	October 23, 2015
Release of the draft 2016 Action Plan and draft funding recommendations for a 30-day public review	February 2016
Final approval of the 2016 Action Plan by the Board of Supervisors	April 2016
Submittal of the 2016 Action Plan to HUD	May 15, 2016

OTHER AGENCY INVOLVEMENT/IMPACT

County staff consulted with the participating cities and nonprofit agencies to identify needs and potential projects. The agencies and cities include Habitat for Humanity, Family Care Network, Los Osos Community Advisory Council, SLO County Commission on Aging, El Camino Homeless Organization (ECHO), League of Women Voters, Santa Margarita Area Advisory Council, Atascadero Loaves and Fishes, LINK, Grid Alternatives, Mission Community Services Corporation, Transitional Mental Health Agency (TMHA), Peoples' Self Help Housing Corporation, the City of Morro Bay, the City of Paso Robles, and the City of Atascadero. The two public workshops were held on September 8 and September 15, 2015 in Atascadero Library and Nipomo Library, respectively. The feedback collected from the two public workshops primarily identified needs in affordable rental housing units for different income levels, particularly for the seniors. Staff will consider the public input received at the two public workshops and today's hearing when evaluating and rating projects for federal funding.

The following is a summary of the housing and community needs identified at the September 2015 public workshops and the needs assessment survey.

Affordable Housing:

- The need for affordable rental housing units for extremely low and low income families as well as affordable housing for the senior population.
- Support for continued financial assistance to low income homeowners for the installation of sewer laterals in the unincorporated community of Los Osos.

Homelessness Service:

- Support for continued financial assistance to homeless shelters and rapid re-housing programs.
- The need for case management services as a key component to reducing homelessness in the county.

Public Services:

- The need for funding mental health and homeless related services.
- Support for financial assistance to detox facilities and related services.

Economic Development:

- The need for funding job training programs to help with creating and retaining jobs for low income individuals.
- The need to support economic development programs that will help promote job creation and retention.

Public Facilities:

- The need for street and sidewalk accessibility improvements.
- The need for health care facilities and child care centers.

The feedback received during the two public workshops, the survey, and today's hearing will be used to help the County to identify community needs, which will then be used to make recommendation of the allocation of federal grant program funding.

FINANCIAL CONSIDERATIONS

The Urban County anticipates receiving an estimated total of \$2.3 million in CDBG, HOME, and ESG funds that will be used towards funding community based projects. The estimated total funding is based on the 2015 program year because HUD has not released the actual funding amounts for the 2016 program year. The County anticipates no change in CDBG and ESG funding levels and a 5 percent decrease in HOME funding level from the 2015 to the 2016 program year. The estimated \$1,645,012 in CDBG funds will be used for public services, housing, public facilities, and economic development projects. The estimated \$605,955 in HOME funds will be used for construction or rehabilitation of affordable housing units as well as tenant-based rental assistance program. The estimated \$145,085 in ESG funds will be used for homeless-related services, rapid re-housing and homeless prevention programs.

The CDBG and HOME programs provide funding to cover most of the administrative costs incurred by staff. HUD has not released final funding allocations for the County and participating cities for the 2016 CDBG, HOME, and ESG programs which starts July 1, 2016.

RESULTS

The result of today's hearing is consistent with a couple of Countywide goals including a livable community and a prosperous community. The County will use its 2016 CDBG, HOME, and ESG funds on a variety of community based projects that will help promote a livable and a prosperous community by allocating funds to projects that help: 1) increase the availability of affordable rental housing units for low and extremely low income households, 2) make improvements to public facilities in low income neighborhoods, and 3) reduce and prevent homelessness. The objective of this hearing is to provide the public with the opportunity to participate in the process of identifying the community needs, priorities, and goals for the 2016 Action Plan. All public input received during the workshops, the survey, and at today's hearing will be used to help guide staff in the preparation of draft federal grant program funding recommendations for community based projects. The draft federal grant program funding recommendations will be presented to your Board for consideration at a public hearing in April 2016.

ATTACHMENTS

N/A